



Pension Plan

Employees' Retirement System
of Milwaukee County
Monthly Update
August 31, 2013

Total Fund Composite

Manager Status

Market Value: \$1,754.9 Million and 100.0% of Fund

Investment Manager	Asset Class	Status	Reason
J.P. Morgan	Core Fixed Income	In Compliance	---
Mellon Capital	Core Fixed Income	In Compliance	---
Boston Partners	Large-Cap Value	In Compliance	---
Mellon Capital	Large-Cap Core	In Compliance	---
Artisan Partners	Mid-Cap Growth	In Compliance	---
Geneva Capital	Mid-Cap Growth	In Compliance	---
iShares Russell 2000 Value Index	Small-Cap Value	In Compliance	---
Fiduciary Management	Small-Cap Value	In Compliance	---
NTGI ACWI Ex-US	Non-U.S. All-Cap Core	In Compliance	---
Barings	Non-U.S. Large-Cap Core	Termination	Performance
GMO Small-Cap	Non-U.S. Small-Cap Value	In Compliance	---
Barings EM	Emerging Markets	Termination	Performance
ABS	Hedged Equity Hedge FoF	In Compliance	---
K2	Hedged Equity Hedge FoF	In Compliance	---
American Realty Advisors	Core Real Estate	In Compliance	---
Morgan Stanley	Core Real Estate	In Compliance	---
UBS	Core Real Estate	In Compliance	---
IFM	Core Infrastructure	In Compliance	---
J.P. Morgan	Core Infrastructure	In Compliance	---
Adams Street	Private Equity	In Compliance	---
Siguler Guff	U.S. Private Equity FoF	In Compliance	---

Investment Manager Evaluation Terminology

The following terminology has been developed by Marquette Associates to facilitate efficient communication among the Investment Manager, Investment Consultant, and the Plan Sponsor. Each term signifies a particular status with the Fund and any conditions that may require improvement. In each case, communication is made only after consultation with the Trustees and/or the Investment Committee of the Plan.

In Compliance – The investment manager states it is acting in accordance with the Investment Policy Guidelines.

Alert – The investment manager is notified of a problem in performance (usually related to a benchmark or volatility measure), a change in investment characteristics, an alteration in management style or key investment professionals, and/or any other irregularities.

On Notice – The investment manager is notified of continued concern with one or more Alert issues. Failure to improve upon stated issues within a specific time frame justifies termination.

Termination – The Trustees have decided to terminate the investment manager. The investment manager is notified and transition plans are in place.

Total Fund Composite

Market Value: \$1,754.9 Million and 100.0% of Fund

Ending August 31, 2013

	Asset Class	Market Value (\$)	3 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Total Fund Composite		1,754,930,214	-32,480,116	100.0	100.0	0
Fixed Income Composite		378,232,410	-25,136,056	21.6	22.0	-7,852,237
J.P. Morgan	Core Fixed Income	304,775,922	-25,128,689	17.4		
Mellon Capital	Core Fixed Income	73,456,488	-7,367	4.2		
U.S. Equity Composite		463,366,146	-616,425	26.4	25.0	24,633,593
Boston Partners	Large-Cap Value	141,616,353	-55,945	8.1	8.0	1,221,936
Mellon Capital	Large-Cap Core	117,637,199	-11,802	6.7	6.0	12,341,386
Artisan Partners	Mid-Cap Growth	56,277,912	-107,988	3.2	2.5	12,404,657
Geneva Capital	Mid-Cap Growth	46,564,686	-63,465	2.7	2.5	2,691,430
Fiduciary Management	Small-Cap Value	51,260,472	-84,305	2.9	3.0	-1,387,435
iShares Russell 2000 Value Index	Small-Cap Value	50,009,525	-292,918	2.8	3.0	-2,638,381
International Equity Composite		344,525,572	0	19.6	20.0	-6,460,471
NTGI ACWI Ex-US	Non-U.S. All-Cap Core	96,784,862	0	5.5	6.5	-17,285,602
Barings	Non-U.S. Large-Cap Core	111,596,817	0	6.4	6.5	-2,473,647
GMO Small-Cap	Non-U.S. Small-Cap Value	83,362,473	0	4.8	4.0	13,165,264
Barings EM	Emerging Markets	52,781,420	0	3.0	3.0	133,513
Hedged Equity Composite		192,886,891	0	11.0	10.0	17,393,870
ABS	Hedged Equity Hedge FoF	97,441,379	0	5.6	5.0	9,694,869
K2	Hedged Equity Hedge FoF	95,445,512	0	5.4	5.0	7,699,001
Real Estate Composite		158,471,571	23,299,103	9.0	8.5	9,302,503
American Realty Advisors	Core Real Estate	33,889,045	-499,048	1.9		
Morgan Stanley	Core Real Estate	108,233,965	23,962,116	6.2		
UBS	Core Real Estate	16,348,156	-163,965	0.9		
Infrastructure Composite		130,560,815	-897,264	7.4	8.5	-18,608,254
IFM	Core Infrastructure	69,993,192	-271,933	4.0	3.5	8,570,635
J.P. Morgan	Core Infrastructure	60,567,622	-625,332	3.5	3.5	-854,935

Total Fund Composite

Market Value: \$1,754.9 Million and 100.0% of Fund

Ending August 31, 2013

	Asset Class	Market Value (\$)	3 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Private Equity Composite		43,213,518	-7,743,040	2.5	6.0	-62,082,295
Progress	U.S. Private Equity FoF	26,220	0	0.0		
Brinson 1998	U.S. Private Equity FoF	70,482	0	0.0		
Brinson 1999	U.S. Private Equity FoF	339,440	0	0.0		
Brinson 2000	U.S. Private Equity FoF	899,163	-164,788	0.1		
Brinson 2001	U.S. Private Equity FoF	1,801,362	-302,772	0.1		
Brinson 2002	U.S. Private Equity FoF	1,181,299	-116,794	0.1		
Brinson 2003	U.S. Private Equity FoF	1,064,495	-111,377	0.1		
Brinson 2004	U.S. Private Equity FoF	1,531,580	-158,569	0.1		
Adams Street 2005	U.S. Private Equity FoF	6,977,571	-346,391	0.4		
Adams Street 2009	U.S. Private Equity FoF	13,584,491	617,651	0.8		
Adams Street 2012	Global Divers. Private Equity FoF	3,734,244	840,000	0.2		
Siguler Guff	U.S. Private Equity FoF	12,003,171	-8,000,000	0.7		
Total Cash Equivalents		43,673,291	-21,386,434	2.5	0.0	43,673,291

Total Fund Composite

Annualized Performance (Net of Fees)

Market Value: \$1,754.9 Million and 100.0% of Fund

Ending August 31, 2013

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund Composite	-1.3%	0.5%	6.1%	10.8%	8.4%	9.4%	8.9%	5.4%	4.8%	7.2%
<i>Total Fund Benchmark</i>	-1.3%	-0.1%	5.9%	9.8%	8.3%	9.5%	8.9%	5.2%	4.6%	6.8%
Fixed Income Composite	-0.4%	-1.6%	-2.1%	-1.5%	2.1%	2.9%	5.1%	5.8%	5.6%	5.8%
<i>Barclays Aggregate</i>	-0.5%	-1.9%	-2.8%	-2.5%	1.6%	2.6%	4.2%	4.9%	5.1%	4.8%
U.S. Equity Composite	-2.9%	2.2%	17.9%	21.7%	18.4%	18.6%	15.4%	8.1%	6.4%	8.3%
<i>Dow Jones U.S. Total Stock Market</i>	-2.9%	1.1%	16.9%	20.1%	18.6%	18.9%	15.5%	7.8%	6.1%	7.8%
International Equity Composite	-1.8%	-1.5%	3.1%	13.8%	4.6%	7.5%	5.6%	0.9%	-0.4%	3.5%
<i>MSCI ACWI ex USA Gross</i>	-1.4%	-1.5%	3.3%	13.5%	5.8%	7.4%	6.4%	1.9%	2.5%	8.8%
Hedged Equity Composite	0.0%	0.8%	9.2%	12.6%	7.0%	6.4%	--	--	--	--
<i>HFRX Equity Hedge Index</i>	-1.9%	-1.3%	5.2%	7.5%	2.0%	-0.4%	0.3%	-2.8%	-1.4%	0.1%
<i>Russell 3000</i>	-2.8%	1.2%	16.9%	20.3%	18.7%	18.9%	15.4%	7.6%	5.9%	7.6%
<i>MSCI ACWI</i>	-2.1%	-0.4%	8.8%	15.5%	10.7%	11.7%	9.6%	3.8%	3.4%	7.4%
Real Estate Composite	0.0%	4.6%	6.9%	12.7%	12.3%	15.0%	14.1%	6.4%	2.5%	9.5%
<i>Custom Real Estate Benchmark</i>	0.0%	1.2%	6.1%	9.2%	10.0%	12.6%	14.6%	4.7%	2.1%	9.1%
<i>NFI</i>	0.0%	1.2%	6.1%	9.2%	10.0%	12.6%	9.7%	-1.0%	2.1%	5.8%
Infrastructure Composite	0.0%	3.5%	1.8%	8.9%	6.4%	9.4%	--	--	--	--
<i>CPI +4%</i>	0.3%	1.3%	4.4%	5.4%	5.4%	6.2%	6.0%	5.3%	6.0%	6.4%
Private Equity Composite	0.0%	-0.6%	-1.1%	6.7%	4.7%	11.2%	11.9%	4.9%	7.9%	12.3%
<i>Venture Economics All PE</i>	0.0%	0.0%	0.0%	5.0%	8.2%	10.6%	12.1%	7.0%	8.0%	11.8%

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$1,754.9 Million and 100.0% of Fund

Ending August 31, 2013

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund Composite	-1.3%	0.5%	6.1%	10.8%	8.4%	9.4%	8.9%	5.4%	4.8%	7.2%
<i>Total Fund Benchmark</i>	-1.3%	-0.1%	5.9%	9.8%	8.3%	9.5%	8.9%	5.2%	4.6%	6.8%
Fixed Income Composite	-0.4%	-1.6%	-2.1%	-1.5%	2.1%	2.9%	5.1%	5.8%	5.6%	5.8%
<i>Barclays Aggregate</i>	-0.5%	-1.9%	-2.8%	-2.5%	1.6%	2.6%	4.2%	4.9%	5.1%	4.8%
J.P. Morgan	-0.4%	-1.5%	-1.9%	-1.2%	2.2%	3.0%	4.5%	5.5%	5.4%	--
<i>Barclays Aggregate</i>	-0.5%	-1.9%	-2.8%	-2.5%	1.6%	2.6%	4.2%	4.9%	5.1%	4.8%
Mellon Capital	-0.5%	-1.9%	-2.9%	-2.6%	1.5%	2.5%	4.1%	4.9%	5.1%	4.7%
<i>Barclays Aggregate</i>	-0.5%	-1.9%	-2.8%	-2.5%	1.6%	2.6%	4.2%	4.9%	5.1%	4.8%
U.S. Equity Composite	-2.9%	2.2%	17.9%	21.7%	18.4%	18.6%	15.4%	8.1%	6.4%	8.3%
<i>Dow Jones U.S. Total Stock Market</i>	-2.9%	1.1%	16.9%	20.1%	18.6%	18.9%	15.5%	7.8%	6.1%	7.8%
Boston Partners	-3.4%	2.0%	20.3%	25.8%	23.3%	20.8%	15.8%	9.8%	7.3%	10.2%
<i>Russell 1000 Value</i>	-3.8%	0.5%	17.5%	23.1%	20.2%	18.2%	14.7%	6.7%	4.2%	7.6%
Mellon Capital	-2.9%	0.7%	16.1%	18.7%	18.3%	18.4%	14.8%	7.3%	5.5%	7.1%
<i>S&P 500</i>	-2.9%	0.7%	16.2%	18.7%	18.4%	18.4%	14.9%	7.3%	5.5%	7.1%
Artisan Partners	-1.4%	5.3%	20.3%	23.5%	18.4%	22.5%	20.6%	12.3%	11.3%	11.3%
<i>Russell MidCap Growth</i>	-1.9%	2.9%	19.5%	24.0%	17.7%	20.3%	18.0%	9.1%	7.9%	9.4%
Geneva Capital	-1.9%	4.2%	16.1%	17.4%	--	--	--	--	--	--
<i>Russell MidCap Growth</i>	-1.9%	2.9%	19.5%	24.0%	17.7%	20.3%	18.0%	9.1%	7.9%	9.4%
Fiduciary Management	-2.6%	2.5%	19.1%	23.1%	17.0%	17.4%	--	--	--	--
<i>Russell 2000 Value</i>	-4.4%	1.3%	16.4%	24.4%	19.1%	18.4%	15.2%	6.9%	4.7%	8.6%
iShares Russell 2000 Value Index	-4.5%	1.3%	--	--	--	--	--	--	--	--
<i>Russell 2000 Value</i>	-4.4%	1.3%	16.4%	24.4%	19.1%	18.4%	15.2%	6.9%	4.7%	8.6%
International Equity Composite	-1.8%	-1.5%	3.1%	13.8%	4.6%	7.5%	5.6%	0.9%	-0.4%	3.5%
<i>MSCI ACWI ex USA Gross</i>	-1.4%	-1.5%	3.3%	13.5%	5.8%	7.4%	6.4%	1.9%	2.5%	8.8%
NTGI ACWI Ex-US	-1.3%	-1.5%	3.5%	--	--	--	--	--	--	--
<i>MSCI ACWI ex USA IMI Gross</i>	-1.3%	-1.4%	3.6%	13.9%	5.7%	7.6%	6.7%	2.4%	2.7%	9.1%
Barings	-2.1%	0.0%	5.6%	11.6%	4.8%	7.2%	6.3%	0.7%	--	--
<i>MSCI EAFE</i>	-1.3%	0.2%	8.1%	18.7%	8.9%	9.3%	6.2%	1.6%	1.4%	7.6%
GMO Small-Cap	-2.3%	0.4%	11.8%	28.9%	11.0%	14.7%	10.0%	--	--	--
<i>MSCI EAFE Small Cap Gross</i>	0.0%	2.2%	12.3%	24.7%	9.8%	12.4%	9.8%	5.8%	3.2%	10.4%
Barings EM	-1.3%	-7.4%	-12.7%	-0.7%	-5.9%	-1.6%	--	--	--	--
<i>MSCI Emerging Markets</i>	-1.7%	-7.0%	-10.2%	0.5%	-2.7%	1.1%	5.1%	1.9%	5.1%	12.2%

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$1,754.9 Million and 100.0% of Fund

Ending August 31, 2013

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Hedged Equity Composite	0.0%	0.8%	9.2%	12.6%	7.0%	6.4%	--	--	--	--
HFRX Equity Hedge Index	-1.9%	-1.3%	5.2%	7.5%	2.0%	-0.4%	0.3%	-2.8%	-1.4%	0.1%
Russell 3000	-2.8%	1.2%	16.9%	20.3%	18.7%	18.9%	15.4%	7.6%	5.9%	7.6%
MSCI ACWI	-2.1%	-0.4%	8.8%	15.5%	10.7%	11.7%	9.6%	3.8%	3.4%	7.4%
ABS	0.0%	0.9%	9.8%	13.3%	6.1%	6.5%	--	--	--	--
HFRX Equity Hedge Index	-1.9%	-1.3%	5.2%	7.5%	2.0%	-0.4%	0.3%	-2.8%	-1.4%	0.1%
Russell 3000	-2.8%	1.2%	16.9%	20.3%	18.7%	18.9%	15.4%	7.6%	5.9%	7.6%
MSCI ACWI	-2.1%	-0.4%	8.8%	15.5%	10.7%	11.7%	9.6%	3.8%	3.4%	7.4%
K2	0.0%	0.7%	8.6%	11.9%	8.0%	6.3%	--	--	--	--
HFRX Equity Hedge Index	-1.9%	-1.3%	5.2%	7.5%	2.0%	-0.4%	0.3%	-2.8%	-1.4%	0.1%
Russell 3000	-2.8%	1.2%	16.9%	20.3%	18.7%	18.9%	15.4%	7.6%	5.9%	7.6%
MSCI ACWI	-2.1%	-0.4%	8.8%	15.5%	10.7%	11.7%	9.6%	3.8%	3.4%	7.4%
Real Estate Composite	0.0%	4.6%	6.9%	12.7%	12.3%	15.0%	14.1%	6.4%	2.5%	9.5%
Custom Real Estate Benchmark	0.0%	1.2%	6.1%	9.2%	10.0%	12.6%	14.6%	4.7%	2.1%	9.1%
NFI	0.0%	1.2%	6.1%	9.2%	10.0%	12.6%	9.7%	-1.0%	2.1%	5.8%
American Realty Advisors	0.0%	3.1%	5.4%	10.3%	10.8%	--	--	--	--	--
NFI	0.0%	1.2%	6.1%	9.2%	10.0%	12.6%	9.7%	-1.0%	2.1%	5.8%
Morgan Stanley	0.0%	5.5%	8.1%	14.6%	14.5%	--	--	--	--	--
NFI	0.0%	1.2%	6.1%	9.2%	10.0%	12.6%	9.7%	-1.0%	2.1%	5.8%
UBS	0.0%	3.1%	4.2%	8.6%	--	--	--	--	--	--
NFI	0.0%	1.2%	6.1%	9.2%	10.0%	12.6%	9.7%	-1.0%	2.1%	5.8%
Infrastructure Composite	0.0%	3.5%	1.8%	8.9%	6.4%	9.4%	--	--	--	--
CPI +4%	0.3%	1.3%	4.4%	5.4%	5.4%	6.2%	6.0%	5.3%	6.0%	6.4%
IFM	0.0%	6.3%	4.8%	11.4%	7.5%	10.9%	--	--	--	--
CPI +4%	0.3%	1.3%	4.4%	5.4%	5.4%	6.2%	6.0%	5.3%	6.0%	6.4%
J.P. Morgan	0.0%	0.6%	-1.5%	6.2%	5.0%	--	--	--	--	--
CPI +4%	0.3%	1.3%	4.4%	5.4%	5.4%	6.2%	6.0%	5.3%	6.0%	6.4%

Total Fund Composite

Fee Schedule

Market Value: \$1,754.9 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee ¹	Industry Average ²
Core Fixed Income	J.P. Morgan	0.20% on the first \$100 million 0.15% on the Balance	0.17% \$507,164	0.24%
Core Fixed Income	Mellon Capital	0.04% on the first \$200 million 0.02% on the Balance	0.04% \$29,383	0.08%
Large-Cap Value	Boston Partners	0.40% on the first \$15 million 0.30% on the next \$25 million 0.20% on the next \$25 million 0.15% on the next \$35 million 0.10% on the Balance	0.20% \$279,116	0.46%
Large-Cap Core	Mellon Capital	0.04% on the first \$200 million 0.02% on the Balance	0.04% \$47,055	0.09%
Mid-Cap Growth	Artisan Partners	0.80% on the first \$50 million 0.60% on the next \$50 million 0.50% on the Balance	0.78% \$437,667	0.68%
Mid-Cap Growth	Geneva Capital	0.55% on the Balance	0.55% \$256,106	0.78%
Small-Cap Value	iShares Russell 2000 Value Index	0.25% on the Balance	0.25% \$125,024	0.83%
Small-Cap Value	Fiduciary Management	0.70% on the first \$10 million 0.65% on the next \$40 million 0.60% on the next \$25 million 0.50% on the Balance	0.66% \$337,563	0.83%
Non-U.S. All-Cap Core	NTGI ACWI Ex-US	0.08% on the Balance	0.08% \$77,428	0.75%
Non-U.S. Large-Cap Core	Barings	0.75% on the Balance	0.75% \$836,976	0.68%
Non-U.S. Small-Cap Value	GMO Small-Cap	0.75% on the Balance	0.75% \$625,219	1.16%
Emerging Markets	Barings EM	0.75% on the Balance	0.75% \$395,861	0.92%
Hedged Equity Hedge FoF	ABS	0.85% on the Balance *redemptions quarterly with 45 days notice	0.85% \$828,252	1.37%
Hedged Equity Hedge FoF	K2	0.90% on the Balance *redemptions quarterly with 91 days notice	0.90% \$859,010	1.37%

Total Fund Composite

Fee Schedule

Market Value: \$1,754.9 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee ¹	Industry Average ²
Core Real Estate	American Realty Advisors	0.95% on the Balance	0.95% \$321,946	1.03%
Core Real Estate	Morgan Stanley	0.90% on the Balance	0.90% \$974,106	1.03%
Core Real Estate	UBS	0.955% on the first \$10 million 0.825% on the next \$15 million 0.805% on the next \$25 million 0.79% on the next \$50 million 0.67% on the next \$150 million 0.60% on the Balance	0.90% \$147,872	1.03%
Core Infrastructure	IFM	1.25% on the Balance Performance Fee: 20% of return above 8% on a rolling three year basis	1.25% \$874,915	1.80%
Core Infrastructure	J.P. Morgan	1.50% on the first \$50 million 1.55% on the Balance Performance Fee: 15% with 7% Hurdle (six year soft lock, effective lock 4.5 years)	1.51% \$913,798	1.80%
Private Equity	Adams Street	0.67% on the first \$50 million 0.60% on the Balance 10% carry on secondaries and co-invest (Effective Rate Over 15 Yr Term)	0.67% \$210,188	1.11%
U.S. Private Equity FoF	Siguler Guff	0.69% on commitment	2.30% \$276,000	3.70%
Cash Overlay	BNY Beta Management	0.025% on the Balance	0.03% \$10,845	0.20%
Total Investment Management Fees			0.53% \$9,371,492	0.77%
Custodian	BNY Mellon	\$50,000 Flat Annual Fee	\$50,000	N/A
Total Fund			0.54% \$9,421,492	

¹ Expense Ratio & Estimated Annual Fee are Based on Market Value at Month End.

² Source: 2010 Marquette Associates Investment Management Fee Study.